

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE**

CRYSTALLEX INTERNATIONAL CORP.,)
)
Plaintiff,)
)
v.) Misc. No. 17-151-LPS
)
BOLIVARIAN REPUBLIC OF VENEZUELA,) **PUBLIC VERSION**
)
Defendant.)
)
_____)

**SPECIAL MASTER'S MONTHLY REPORT
FOR THE PERIOD ENDED AUGUST 31, 2021**

Dated: September 20, 2021
Public version dated: September 29, 2021

ROBERT B. PINCUS in his capacity as
Special Master for the United States District Court for the District of Delaware
108 Rockford Gove Lane
Wilmington, DE 19806

September 20, 2021

Public Version dated: September 29, 2021

BY HAND DELIVERY & CM/ECE

The Honorable Leonard P. Stark
United States District Court for the District of Delaware
J. Caleb Boggs Federal Building
844 North King Street
Wilmington, DE 19801-3570

Re: *Crystalllex International Corp. v. Bolivarian Republic of Venezuela*, D. Del. C.A. No. 1:17-mc-00151-LPS; Special Master's Monthly Report for the Period Ended August 31, 2021 (this "**Report**")

Dear Judge Stark:

By order dated April 13, 2021 [D.I. 258], Your Honor appointed me as Special Master in this case to design, oversee, and implement the sale of Petroleos de Venezuela, S.A.'s shares of PDV Holding Inc. On May 27, 2021, Your Honor issued the *Order Regarding Special Master* [D.I. 277] (the "**May 27 Order**")¹ setting forth, among other things, various obligations and duties applicable to the Special Master, the Parties, and ConocoPhillips, including my obligation to provide the Court with a monthly report concerning my progress and efforts. The last report that I submitted to the Court was for the period ended July 31, 2021 [D.I. 304] (the "**July Report**"). I hereby write to provide this Report for the period since the July Report through August 31, 2021.

Summary of Events Taking Place this Period

During this period, I have undertaken the following actions, with the assistance of my advisors (collectively, the "**Advisors**"), in accordance with my duties and obligations set forth in the May 27 Order:

- Continued numerous work streams to finalize and file the Proposed Sale Procedures Order with the Court on August 9, 2021 [D.I. 302], which, as noted in the July Report, included preparation of a report and recommendation (the "**Report**"), which was filed contemporaneously therewith [D.I. 303].

¹ All capitalized terms used but not otherwise defined herein, have the meanings ascribed to such terms in the May 27 Order.

The Honorable Leonard P. Stark

September 20, 2021 Public version dated: September 29, 2021

Page 2 of 3

- Coordinated extensively with counsel to the Parties and ConocoPhillips on the terms of stipulations for the sharing of sealed filings of the Proposed Sale Procedures Order, the Report, objections, and replies with (i) the United States Government [D.I. 314] and (ii) counsel to the 2020 PDVSA Bondholders [D.I. 324].
- Reviewed and responded to informal requests from the Venezuela Parties' regarding the public source of certain information contained in the Report.
- Reviewed pleadings filed by the Sale Process Parties regarding redactions to the Proposed Sale Procedures Order and Report and discussed the same with my Advisors. [D.I. 307].
- Reviewed and analyzed objections filed by the Parties and ConocoPhillips to the Proposed Sale Procedures Order and began preparation of a reply brief in response to same [D.I. 341].
- Reviewed and analyzed statements, requests, and related documentation provided by the Sale Process Parties regarding the outstanding judgments of Crystallex and ConocoPhillips.
- Reviewed and analyzed informal objections raised to Evercore's retention received from the Sale Process Parties prior to the filing of the Proposed Sale Procedures Order and Report.
- In consultation with the Sale Process Parties, continued to negotiate the proposed terms pursuant to which Evercore Group L.L.C. ("Evercore") would serve as my financial advisor in connection with the implementation of the Proposed Sale Procedures Order should Your Honor enter the order and approve the engagement.
- Reviewed and analyzed objections filed by the Sale Process Parties to the fees and expenses requested in my July Report and drafted and filed a response thereto [D.I. 325].

Statement of Fees and Expenses

The May 27 Order requires that I submit an Itemized Statement of my fees and expenses on a monthly basis. During the period of August 1 through August 9, 2021, prior to filing the Proposed Sale Procedures Order, I have incurred an aggregate of \$319,156.89 of fees and expenses in connection with carrying out my duties as Special Master. As noted in my letter to the Court on August 30, 2021 [D.I. 325], I must request that the Court increase the fee cap set forth in the May 27 Order (as revised by subsequent order [D.I. 337]) to include \$319,156.89 of fees incurred by my Advisors and myself during the fee cap period up to and including submitting the Proposed Sale Procedures Order on August 9, 2021.

The Honorable Leonard P. Stark

September 20, 2021 Public version dated: September 29, 2021

Page 3 of 3

Separate from the period subject to the fee cap, during the period of August 10 through August 31, 2021, after filing the Proposed Sale Procedures Order, I have incurred an aggregate of \$143,959.08 of fees and expenses in connection with carrying out my duties as Special Master. These amounts include the monthly fees and expenses of counsel in connection with the matters contemplated by the May 27 Order after filing the Proposed Sale Procedures Order. The Itemized Statement, attached as Annex D hereto, contains a breakdown of such fees and expenses among my Advisors and myself.

I respectfully request that Your Honor determine that such fees and expenses are regular and reasonable and approve the increase of the fee cap to include additional fees of \$319,156.89 for the period through August 9, 2021. A proposed form of order is enclosed for Your Honor's consideration.

I am currently conferring with the Sale Process Parties regarding the preparation of procedures for the provision of a budget to the Sale Process Parties pursuant to the Court's September 8, 2021 *Memorandum Order* [D.I. 337]. In the meantime, I anticipate and estimate that my fees and expenses for the month of September, which I will set forth in my next Monthly Report, will be significantly lower than the amounts requested in this Monthly Report.

I am available at the convenience of the Court, should Your Honor have any questions.

Respectfully Yours,

/s/ *Robert B. Pincus*

Robert B. Pincus, in my capacity as
Special Master for the United States
District Court for the District of
Delaware

Enclosures

cc: Counsel of Record (by CM/ECF and E-Mail)